

CITY OF MUSKEGON

CITY COMMISSION MEETING

OCTOBER 12, 2004

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, October 12, 2004.

Mayor Warmington opened the meeting with a prayer from Commissioner Gawron after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Bill Larson, Commissioner Clara Shepherd, Lawrence Spataro, Chris Carter, Kevin Davis, Stephen Gawron, City Manager Bryon Mazade, City Attorney John Schrier, and Deputy City Clerk Linda Potter.

INTRODUCTIONS: Tony Kleibecker introduced Mark Kincaid, the new Deputy Director of Public Safety for Fire Services.

2004-89 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Special Commission Meeting that was held on Wednesday, September 22, 2004; and the Regular Commission Meeting that was held on Tuesday, September 28, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Sale of Buildable Vacant Lot on Dowd Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 2335 Dowd Street (Parcel #24-665-000-0520-00) to Fred Glomb, 1466 Ellis Road, Muskegon, MI. The lot is 123 x 125 ft. and is being offered to Mr. Glomb for \$9,000. The single-family home will comply with the City's "Policy for Sale of City-

Owned Residential property. The True Cash Value (TCV) for the property listed in the Assessor's Office is \$12,000, so our price is set at \$9,000 which is 75% of that amount.

FINANCIAL IMPACT: The sale of this lot for construction of a new home will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and to authorize both the Mayor and the Clerk to sign said resolution and deed.

C. Renewal of Maintenance Contract with MDOT Trunkline Within the City of Muskegon. PUBLIC WORKS

SUMMARY OF REQUEST: The Michigan Department of Transportation (MDOT) seeks to renew its contract with the City of Muskegon for road maintenance on State Highways located within the City of Muskegon. The City of Muskegon designates Robert Kuhn, its Public Works Director, as the Maintenance Superintendent on state trunkline highways, and authorizes him and Linda Potter, Deputy City Clerk, to execute this contract on the City's behalf. This is a five-year, renewable contract.

FINANCIAL IMPACT: Our annual contract with MDOT is approximately \$221,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Recommend approval of five-year contract, the designation of Robert Kuhn as the Maintenance Superintendent, and authorize him and Linda Potter, Deputy City Clerk, to execute the contract on the City's behalf.

Motion by Commissioner Carter, second by Commissioner Shepherd to approve the Consent Agenda with the exception of item D.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, Larson, Shepherd

Nays: None

MOTION PASSES

2004-90 ITEM REMOVED FROM THE CONSENT AGENDA

D. Amendment to the Special Assessment Policy. ENGINEERING

SUMMARY OF REQUEST: As a result of a Legislative Committee meeting, it is respectfully requested that the special assessment policy be amended in the following form:

Sub-paragraph "a" (on page 6) of paragraph 10 of section "C" Part "V" of the special assessment policy be amended to read: In no case shall the

assessments be in excess of benefits to abutting properties **nor shall the total assessments exceed 25% of the total project cost associated with pavement.**

This amendment applies only to those activities/improvements eligible under the table on page 4 of said policy. Furthermore, it is requested that if the amendment is adopted, implementation be limited to those projects where special assessment districts have been created after January 1st of 2005.

FINANCIAL IMPACT: None anticipated at this time.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Amend the special assessment policy.

2004-91 PUBLIC HEARINGS:

A. Amendments to Brownfield Plan – Former Muskegon Mall. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Downtown Muskegon Development Corporation (DMDC) in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax increment Financing would be used to reimburse the City, DMDC, and possibly developers for “eligible expenses” incurred in association with development of the Mall, starting in 2012, when the Renaissance Zone status of the Mall property will begin to expire. DMDC currently estimates that full development of the Mall property will involve approximately \$60 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property. “Eligible Expenses” would be reimbursed starting in 2012, including the payment of 4% interest annually. The estimated tax capture and payment schedule is included as Attachment L-4 in the proposed Brownfield Plan Amendment. The City is also authorized by law to capture up to \$75,000/year to pay for “reasonable and actual administrative and operating costs of the Brownfield Redevelopment Authority. As such, \$50,000/year of the local tax increment will be captured to reimburse the Brownfield Authority for its administrative costs, for a total of \$550,000 over 11 years. After all eligible costs incurred by the various parties are reimbursed (estimated to be in 2017), the BRA is authorized to continue to capture local taxes for five more years for deposit into a Local Site Remediation Revolving Fund. Current estimates indicate that approximately \$3,460,000 could be captured from the taxes on the Mall property for deposit into this local fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing and approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public

hearing for October 12, 2004, at their September 14, 2004 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice in the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on September 8, 2004 and further recommends that the Muskegon City Commission approve the Plan amendment.

The Public Hearing opened at 6:05 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Spataro, second by Commissioner Gawron to close the Public Hearing at 6:06 p.m. and approve the amendment to the Brownfield Plan.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Larson, Shepherd, Spataro, Warmington

Nays: None

MOTION PASSES

2004-92 NEW BUSINESS:

A. FIRST READING: Muskegon Boiler Works Study Committee Final Report.
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Muskegon Boiler Works Study Committee, which was appointed by the City Commission on June 22, 2004 to study the historic significance of the Boiler Works property and make a recommendation regarding the establishment of an historic district, has developed a final report. The property is located at 1204 Eighth Street (described as City of Muskegon Revised Plat of 1903 Block 317, Lots 9-13). To finalize its duties, the Study Committee is forwarding the final report with a recommendation to the City Commission to establish the Boiler Works Historic District and to amend Chapter 11 of the Code of Ordinances concerning Historic Districts and the Historic District Commission, to reflect the addition of the new district.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To accept the Muskegon Boiler Works Study Committee report and recommendation and authorize the Clerk to sign the Ordinance amending Chapter 11 of the Code of Ordinances concerning Historic Districts and the Historic District Commission.

COMMITTEE RECOMMENDATION: The Muskegon Boiler Works Study Committee recommends approval of the establishment of an historic district for the Boiler Works property. The Planning Commission recommended approval to the City Commission at their August 12, 2004 meeting.

Motion by Vice Mayor Larson, second by Commissioner Shepherd to accept the

Muskegon Boiler Works Study Committee final report.

ROLL VOTE: Ayes: Larson, Shepherd, Warmington, Carter

Nays: Davis, Gawron, Spataro

MOTION PASSES (REQUIRES SECOND READING)

B. Request for Extension of Deadlines for Former Lakos Property.
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: At the May 11, 2004 meeting, the City Commission granted an Amendment for an extension of time to the Agreement between Desiree Enterprises (Holiday Inn) and the City of Muskegon. The extension agreement allowed the owner of the property to have until October 1, 2004 to present plans for the development of the property to the City. Construction was to begin by April 1, 2005 and the project was to be completed by September 1, 2005. Recently, however, Mr. Elkhoully from the Holiday Inn, has made another request to extend the deadlines.

FINANCIAL IMPACT: Without development on the site, the amount of taxes paid to the City is limited.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None (if the Commission desires to extend the deadline, again, staff can work with the City Attorney to prepare another amendment).

Motion by Vice Mayor Larson, second by Commissioner Shepherd to grant extension with construction to commence no later than September 1, 2005.

ROLL VOTE: Ayes: Larson, Shepherd, Warmington

Nays: Gawron, Spataro, Carter, Davis

MOTION FAILS

C. Approval of Purchase of New Boiler-Central Fire Station. PUBLIC SAFETY

SUMMARY OF REQUEST: Public Safety Division staff request that the Commission consider our request to purchase a new boiler for the Central Fire Station. This unit provides heat to this building. During our fall start-up, a crack was discovered in the unit. Temporary repairs have been made to the current boiler in order to provide some heat for staff.

Three companies inspected the unit and were asked to submit bids. They include Northern Boiler, Monarch Welding and Engineering and Bowen Heating. Bowen has advised us that they would not be able to provide us with a quote. Both Northern and Monarch did provide us with quotes. Both companies recommended replacement of the boiler due to its age and the fact that they will not guarantee that repairing this unit will prevent further failures.

FINANCIAL IMPACT: The cost of the new boiler (Monarch) and installation is \$16,755.

BUDGET ACTION REQUIRED: This item is not provided for in the current budget. Funds will be drawn from the General Fund Contingency Account.

STAFF RECOMMENDATION: Awarding of the bid to Monarch Welding and Engineering.

Motion by Commissioner Spataro, second by Vice Mayor Larson to approve the purchase of a new boiler for the Central Fire Station.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis, Gawron

Nays: None

MOTION PASSES

2004-93 ANY OTHER BUSINESS

Property on Western Avenue was discussed (former Muskegon Hotel).

Motion by Commissioner Spataro, second by Commissioner Gawron to request a legal opinion on the cost to reclaim the property.

ROLL VOTE: Ayes: Spataro, Davis, Gawron

Nays: Shepherd, Warmington, Carter, Larson

MOTION FAILS

The City Commission Meeting adjourned at 6:58 p.m.

Respectfully submitted,

Gail A. Kunding, MMC
City Clerk